



# Partners newsletter

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## EXECUTIVE DIRECTOR'S REPORT

By **Dr. Joe L. McCormick**  
Executive Director, KHEAA/KHESLC



**M**y first 210 days as Executive Director of KHEAA and KHESLC have been a whirlwind of activity with back-to-back meetings; getting to know board members, legislators, and our financial aid partners; and just finding my way around. Representing KHEAA and KHESLC as Executive Director has been very rewarding and gratifying, thanks to the warm welcome I received. It has been my pleasure to work with the KASFAA and AASFAA membership, the state legislature, the higher education community, and the fine people at KHEAA and KHESLC. I sincerely appreciate all of the cooperation and support I have received, and I look forward to working with all of you in the months ahead!

### Reduced student loan fees will save students millions

Students taking out student loans to pay for college or technical training through the Federal Family Education Loan Program (FFELP) have the opportunity to save millions of dollars.

In my role as Executive Director, my objectives are to provide students with the lowest fees and interest rates possible while rewarding students for pursuing higher education, remaining in school, and demonstrating a good repayment history. A recent study showed that nearly two-thirds of the students in four-year schools have student loans. If students must mortgage their future to get a higher education, we owe them the best and lowest-cost student loans possible.

The boards of director of both KHEAA and KHESLC support this mission. The KHEAA board voted at its April 30 meeting to extend the waiver of the 1 percent loan insurance fee for 2002–2003, which has already saved students \$20.8 million in the past six years.

The KHESLC board approved a revolutionary new program of borrower benefits at its April 12 meeting.

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# Executive Director's Report



## (Continued from page 1)

Student loan borrowers who choose KHESLC (better known as The Student Loan People<sup>sm</sup>) as their lender will receive the “BestStart,” the least expensive student loan in Kentucky. Teachers will receive additional benefits through “Best in Class.” These programs feature interest rate reductions and loan forgiveness that are expected to save Kentuckians \$7 million during the 2002–2003 academic year. We want to remove the financial barriers that hinder Kentuckians from pursuing a college education or technical training. The BestStart and Best in Class programs reward responsible borrowers and dedicated teachers across the Commonwealth.

BestStart reduces The Student Loan People’s low fees even further, credits loan principals for consistent on-time payments, and offers interest rate reduction for automatic payments. Best in Class rewards teachers with interest and loan forgiveness. Both programs go into effect August 1. Specific new borrower benefits are shown below. These benefits are in addition to several existing benefits. For more information about borrower benefits, go to [www.studentloanpeople.com](http://www.studentloanpeople.com)

It seems odd to me, but some question whether KHESLC should try to help students save money on their loans. As a state-created, nonprofit entity, KHESLC can use revenue to improve benefits for students or forfeit the funds to the Internal Revenue Service. Students or the IRS—where would you prefer to see the money go? We think helping make higher education more affordable and promoting the teaching profession are a better use of these dollars.

## BestStart Benefits

(for new Stafford Loans made beginning August 1):

Benefit	Estimated FY2003 Savings for Borrowers
KHESLC’s origination fee is only 1% (lenders are allowed to charge a 3% origination fee.)	\$2.4 million
KHESLC will give a 2% credit to the unpaid principal when the borrower completes the academic period for which the loan was made.	Up to \$2.4 million
KHESLC will provide a 3.5% credit to the original principal balance for borrowers who make their first 30 consecutive payments on time.	Benefits will be realized in FY2004 and later fiscal years.

## Best in Class Benefits for teachers

(for existing Stafford Loans or new ones made beginning August 1):

At the end of the each fiscal year, the interest will be forgiven for teachers who taught at public or nonprofit Kentucky elementary or secondary schools during that fiscal year. The accrued interest will be written off, and the	\$900,000
In addition to the interest forgiveness on teacher loans, for borrowers who were special education teachers at a public or non-profit Kentucky elementary or secondary school during the fiscal year, 20% of the loan’s original principal will be forgiven each year.	\$575,000

# Kentucky legislative efforts successful

**By Carl Rollins**

The legislative efforts for KHEAA and KHESLC during the 2002 regular session of the Kentucky General Assembly were very successful. The following state laws become effective July 15, 2002:



- **HB 131** increases the debt limit for KHESLC from \$950 million to \$1.95 billion. This increase was critical for the corporation to continue to issue bonds for student loan capital.
- **HB 296** requires state agencies, as a prerequisite for initial issuance and renewal of a professional or occupational license, to certify that applicants are not in default on obligations to financial aid programs administered by KHEAA. KHEAA staff worked closely with the sponsor to amend the original version of the bill to make it easier for state agencies to exchange information.
- **HB 330** requires KEES recipients to be enrolled in a certified Kentucky high school for a minimum of 140 of the 185 days in a school year. The bill makes allowances for students who graduate at the end of the first semester of their senior year.
- **HB 505** provides that KHEAA and KHESLC board members can receive \$100 per diem and affords the KHESLC board the same option as the KHEAA board to conduct meetings by telephone or other technological means.
- **HB 684** permits students who have been placed in graduate status after completing two or three years of undergraduate studies to qualify for College Access Program (CAP) funds if otherwise qualified, permits these students to use KEES awards, and makes the act retroactive to the 2001–2002 academic year.
- **HB 59** permits a student who attends high school out of state while his or her custodial parent or guardian is serving in the U.S. military service to qualify for KEES. Kentucky must be the “home of record.”
- **HB 191** (among other provisions) adds the president of the Association of Independent Kentucky Colleges and Universities (AIKCU) to the KHEAA board of directors and includes a representative of the state’s independent colleges and universities as a member of the Council on Postsecondary Education (CPE).
- **HB 202** (among other provisions) specifies that the tuition waiver for foster and adopted children applies to undergraduate programs and may include part-time students, clarifies eligibility requirements, and adds that out-of-state adopted students may be eligible for a waiver of in-state tuition costs.
- **HB 402** (among other provisions) creates a teacher certification loan program to provide forgivable loans to emergency certified teachers serving in an area where a qualified teacher is unavailable and to fully certified teachers who are willing to seek additional certification in hard-to-fill or critical shortage areas. It assigns administration to KHEAA. Since the budget has not passed, funding for this program is in question.

# KHEAA establishes Student Aid Advisory Committees

**By Tim Ballard**

KHEAA Student Aid Advisory Committees were recently formed to enhance communication with the Kentucky and Alabama Associations of Student Financial Aid Administrators (KASFAA and AASFAA). The first Kentucky meeting was held on January 30 in Frankfort to discuss the student loan industry, state legislation, changes in information technology, and delivery of grant and scholarship funds to schools and students.

Charter members, nominated by the KASFAA Executive Board, include Shawn Anderson, Somerset Technical College; Denese Atkinson, Prestonsburg Community College; Carol Becker, Morehead State University; Dave Cecil, Transylvania University; Jerry Davis, Kentucky Community and Technical College System (KCTCS); Charlene Geiser, Sullivan University; Lynda George, University of Kentucky; Laura Keown, Centre College; Jackie Marshall, Northern Kentucky University; Sandra Neel, University of Louisville; Tim Ring, Thomas More College; Chris Tolson, Campbellsville University; Charles Vinson, Murray State University; Rick Wilson, Bowling Green Technical College; and Michael Morgan, KASFAA President.

KHEAA staff attending the committee's first meeting were Scotty Bryan, Rick Casey, Ron Duvall, Janice Ernst, Dr. Joe L. McCormick, Linda Renschler, Mary Lou Skelton, Blake Tanner, and Robin Thomerson.

The Alabama committee held its first meeting May 7 in Gulf Shores. Charter members include Dorenda Adams, Alabama State University; Jim Bradsher, Auburn University at Montgomery; Dr. Jo Bennett, University of North Alabama; James Berry, South University; Deborah Byrd, Calhoun Community College; Betty Harlan, Spring Hill College; Emily Johnston, University of South Alabama; Mike Reynolds, Auburn University; Marla Skopan, University of South Alabama; and Carol Supri, Troy State University.

KHEAA staff attending the committee's first meeting were Tommy Dismukes, Lora Kiser, Dr. Joe McCormick, Blake Tanner, Melinda Calhoun Thomas, and Robin Thomerson.

The first meetings were successful, and the committees plan to meet three times a year.



**Kentucky Student Advisory Committee members (clockwise from bottom), Jackie Marshall, Charles Vinson, Sandra Neel, and Shawn Anderson took a few moments to chat before the meeting began.**



## Call-in conferences held January 31

**By Tim Ballard**

Several schools and lenders participated in KHEAA's first live, call-in conferences on January 31. Staff were available to answer questions about KHEAA programs and services and to hear concerns and suggestions about financial aid issues, services, and processes.

Call-in conferences were held at different times for Kentucky and Alabama. KHEAA had good participation from schools and lenders during the call-in sessions.

The next call-in conferences are tentatively scheduled for July, and KHEAA welcomes and encourages school and lender participation. It's easy to dial up and join in, and it's possible to just listen as well as make comments.



**Dr. McCormick, right, takes the first question during KHEAA's inaugural call-in conference for schools and lenders. Among the other KHEAA staff who participated were, clockwise, Tim Phelps, Shirley Young, Mark Maidlow, and DeDe Conner.**

## State seeking USDE grant for U CAN

**By Tim Ballard**

According to the Council on Postsecondary Education's (CPE) proposal for a Fund for the Improvement of Postsecondary Education (FIPSE) grant from the United States Department of Education (USDE), Kentucky is seeking to become the first state in the nation to develop an electronic advising office that will serve an entire state population, including students in middle school, high school, and college, as well as online students and adult learners pursuing a GED and workplace skills. The electronic guidance office, to be called the Kentucky Virtual University Coordinated Advising Network or "U CAN," will give students, prospective students, parents, employers, and others access to a single point of contact (1-800-WER-UCAN) for preadmission, academic, career, and financial aid counseling services. U CAN will be a statewide constellation of call centers sharing data about programs, procedures, curricula, and financial aid so that the individual learner does not have to call different numbers only to be referred to yet another number in touch-tone purgatory. U CAN will not only respond to student inquiries but will, to the extent permitted by privacy and telemarketing law, reach out to potential students, informing them of postsecondary opportunities. U CAN will also act as a student advocate, following up on referral and monitoring student queries (and grievances) to satisfactory resolution. Software for contact recording, tracking, analysis, and sharing will underpin U CAN, to be purchased with the matching funds.

The core partners in U CAN are CPE, the Kentucky Virtual University (KYVU), the Kentucky Community and Technical College System (KCTCS), the Kentucky Department of Education (KDE), and KHEAA.

# eSign is here!

**By Robin Buchholz**

KHEAA's eSign process, which allows students to electronically sign the Master Promissory Note (MPN), is ready for student use. If you plan to incorporate eSign into your school's process, encourage your students to get, find, or hold on to their student financial aid personal identification number (PIN) so they will be ready. The same PIN students must use to electronically sign the *FAFSA on the Web* will be used by KHEAA to authenticate the student's electronic signature on the MPN. KHEAA will use the USDE's PIN-based e-sign authentication system provided by NCS Pearson.

To include information about eSign in your student literature, direct students to KHEAA's Web site [www.kheaa.com](http://www.kheaa.com), which will include a link to launch the process to electronically sign a promissory note. It is up to schools whether the student accesses eSign through KHEAA's site or a link from their own site.

KHEAA's eSign allows schools that use the MPN as a serial note and schools that use the MPN as an annual note to move toward a completely paperless loan process. Students will only have to electronically sign the MPN once if the school uses it as a serial note; schools in this category should focus on electronic signatures for freshmen or new borrowers. Eliminating the paper and speeding up the signature process can bring increased efficiency and speed the delivery of loan proceeds.

During this first year of implementation, schools will have the option to use eSign as their primary loan process or as an alternative process. If eSign is used as the primary process, paper notes will not be sent to students unless they are specifically requested by calling KHEAA. If eSign is an alternative process, students have the option of e-signing their note; however, paper promissory notes will be sent to students upon receipt of a certification from a school if the student has not yet e-signed.

eSign will be available to all schools and lenders that use KHEAA for processing. Questions can be directed to Robin Buchholz at [rbuchholz@kheaa.com](mailto:rbuchholz@kheaa.com), (800) 617-2699, or (502) 696-7240.

## Check on reporting graduated statuses

**By Robin Thomerson**

Do you know if your school reports its graduates to the Clearinghouse or NSLDS in a "G" status? If you aren't sure, you might want to ask. A recent review of NSLDS school graduation data brought to our attention that many schools do not appear to be reporting their graduates in their Enrollment Reporting (Student Status Confirmation Report) process.

"G" statuses are used to calculate graduation rates for your school. If your graduation rates are not properly reported to NSLDS, your graduation rate may appear lower than it actually is. Information maintained by NSLDS may be used for many purposes, including the evaluation of average indebtedness of graduates. NSLDS information, if accurate, can also be used to support requests for increased gift aid and to evaluate unmet need. Accurate graduation reporting results in reliable NSLDS information for these and other purposes.

## Kentucky legislative workshop held

**By Tim Ballard**

KHEAA sponsored a student aid workshop for Kentucky legislators on January 17.

Sen. Lindy Casebier and Rep. Frank Rasche, Chairmen of the Senate and House Education Committees, invited all legislators to the workshop to gain a better understanding of student financial aid.

CPE President Dr. Gordon K. Davies spoke briefly about the importance of student aid in improving access to higher education. Dr. McCormick gave legislators an overview of financial aid in Kentucky and the U.S. and outlined the challenges and opportunities ahead.

AIKCU President Dr. Gary S. Cox also emphasized the importance of student aid; and Lisa Bell, a senior at Transylvania University in Lexington, told legislators how financial aid had made it possible for her to become the first person in her family to receive a college degree.



**Rep. W. Keith Hall, left, talked with his constituent, Lisa Bell, right, after she spoke about the importance of financial aid. Listening were Dr. Gary Cox and Lee Nimocks of AIKCU.**

## CAP/KTG award amounts set for 2002–2003

**By Linda Renschler**

The maximum College Access Program (CAP) Grant award amount for 2002–2003 will remain \$1,260 (\$360 each semester) for full-time students. Eligible part-time college students will receive an amount based on \$53 a credit hour. The maximum expected family contribution (EFC) for CAP Grant consideration will increase to 3800 (which will also be the maximum EFC for Federal Pell Grants). The maximum Kentucky Tuition Grant (KTG) award amount for 2002–2003 will remain \$1,800 (\$900 each semester) for full-time students attending a participating independent institution.

If you have grant-related questions, contact the Student Aid Branch at (502) 696-7395.

## E-mail loan limit alert available to schools

**By Robin Buchholz**

KHEAA is now sending an e-mail alert to notify schools of potential dual enrollment problems. When a borrower's annual loan limit is exceeded due to the existence of multiple loans that have overlapping loan periods, an e-mail will be generated. Each school that issued a loan in question will receive this alert, which will direct the affected schools to the report on their KHEAA Web directory. KHEAA's Guarantee Operations Staff will also receive notification of the potential loan problem via an automated report. If you have any questions regarding this process, please call (800) 617-2699.



# Stafford, PLUS NLGDS revised

**By Robin Buchholz**

The Stafford Loan and PLUS Loan Notice of Loan Guarantee and Disclosure Statements (NLGDS) that KHEAA provides have been revised. The changes include the following:

- The “Borrower’s Rights and Responsibilities” on the back of the form were replaced with the “Plain Language Disclosure” on the Stafford and PLUS NLGDS.
- A box has been added to the top right-hand corner of the NLGDS and will be labeled “Initial Notice” for first-time disclosures (at the time of guarantee) and “Revised Notice” for redisclosure.
- When a monetary change is made through CommonLine or online KLAS (for both Stafford and PLUS Loans), a redisclosure will print automatically and the reason for the revised disclosure will be noted in the box on the top right-hand corner of the form.
- A sentence was added to the bottom of the NLGDS under the “Release of Proceeds Disbursements” section that reads, “The disbursement dates indicated above represent the date(s) disbursements are scheduled to be made to the school, not the date you will receive the funds.” This sentence is printed in red.

The changes that were made to the Stafford and PLUS NLGDS eliminate the need for KHEAA to send guarantee approval letters and maintenance letters to the borrower.

If you have questions regarding these changes, contact KHEAA at (800) 617-2699.

# KHEAA disbursing by EFT for 21 lenders

**By Mary Alice Wilkinson**

KHEAA makes electronic fund transfer (EFT) disbursements to schools on behalf of 21 lenders who have executed an agreement with KHEAA. Schools should contact the lenders below to receive EFT disbursements through KHEAA if you do not currently receive them.

<b>Lender Name</b>	<b>Lender Number</b>
SouthTrust Bank	800023
SouthTrust Bank (Lender of Last Resort)	800029
SunTrust Bank	800061
Merchants Bank	800096
Regions Bank	800097
Whitney Bank	805148
Bancorp South	806627
Peoples Bank & Trust	806723
Citibank	807743
National Bank of Commerce	806722
ASAP/Union Bank & Trust Co.	808543
First Farmers/Merchants National Bank	810617
Bank of America/MOHELA	818334
First National Bank of Talladega	819341
Union Bank & Trust Co.	823964
Compass Bank	828078
Nellie Mae	829076
ClassNotes, Inc. d/b/a Educaid	830005
College Board/College Credit	830310
Education Services Foundation	833575
College Loan Corporation/Bank One	833733

# KHEAA reports on the Web

By Robin Buchholz

KHEAA has added new report options to its Web site [www.kheaa.com](http://www.kheaa.com). Schools can now run the Aging School Certification Report for a specific date range. Also, schools and lenders now have the option to run Loan Volume Reports and a Pending Disbursement Report for whatever date range they choose. You will find detailed descriptions of each report below.

## Aging School Certification Report (Schools)

We currently supply schools with an Aging School Certification Report that is produced on the 15th and 30th of each month. The report is either provided in a paper format or can be accessed via the school's Web directory on [www.kheaa.com](http://www.kheaa.com). Schools that certify loans through KHEAA can use this report to follow-up on students who have not returned their MPNs to KHEAA. KHEAA mails the notes and then provides this report to the school, identifying those students who have not returned their note within 15 to 45 days after the school certification. Schools now have the ability to initiate a request for this report via the Web. They can request the report be run at any time for any designated date range. In addition to the report, they will be able to request a comma-delimited file. Both the report and file will be available to view both online or in hard copy format.

## Loan Volume Report (Schools and Lenders)

KHEAA has modified the loan volume report process to allow schools and lenders to go online at [www.kheaa.com](http://www.kheaa.com) and initiate a request for their loan volume report to be run. Schools will then enter a date range and also specify if the report or a comma-delimited file is requested. Reports and/or files will be available the following morning with the requested information in the school's or lender's online directory. Volume information was previously available only in paper format, at the beginning of each month. Both the comma-delimited file and Web report will be available to review online.

## Pending Disbursement Report (Schools and Lenders)

Schools and lenders now have the option of requesting a Pending Disbursement Report online through KHEAA's Web site. The school or lender will choose the date range and how it wants the report through the Report Request screen. All pending (noncancelled and nondisbursed) disbursements that have a scheduled disbursement date within that period will be included. Both schools and lenders will get a summary report at the end of the detail that includes totals by loan type and disbursement method. KHEAA is now enabling schools and lenders to view and print the Disbursement Pending Report or get it in a comma-delimited file format from their Web directory on [www.kheaa.com](http://www.kheaa.com). The school will get a summary by lender and total for school, while the summary for lenders will display the disbursements pending by school. Each summary will have totals by loan type and disbursement method.

Comma-delimited files can be imported into applications such as Excel to be user-friendly. Reports are maintained in school and lender directories for 60 days, and multiple users can access the same reports. If you have questions or need instructions on how to request or access these reports via the Web, contact a KHEAA customer service representative at (800) 617-2699.

## New KHEAA building

Progress is being made on KHEAA's new office building in Frankfort. Although the building is behind schedule, KHEAA plans to move to the new location by the end of the fiscal year—June 30. Staff are now developing a dedication ceremony to be held shortly after our move is completed.



Artist's rendering of new KHEAA building.

# Staff changes announced

**Janice Ernst** has been appointed Chief of Staff for the Office of Executive Director, KHEAA/KHESLC.

Janice is responsible for providing coordination and support to the Executive Director in carrying out his duties as Chief Executive Officer of both KHEAA and KHESLC in such areas as strategic planning, budget preparation, policy analysis, public relations, and providing direction in federal and state relations for both organizations.



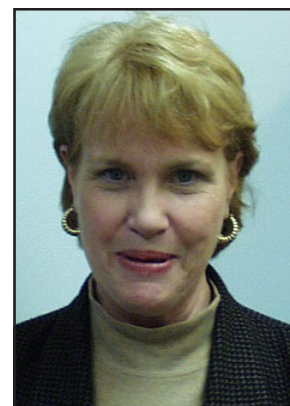
**Ron Duvall** has been appointed Senior Vice President of Information Systems, KHEAA/KHESLC. He is responsible for facilitating KHEAA and KHESLC goals and objectives through the effective use of technology. Under his leadership, KHEAA and KHESLC will move toward a unified, totally integrated IT system to serve both organizations.



**David Carlsen** has been appointed Director of Internal Audit, KHEAA/KHESLC, and is responsible for internal audit activities for both organizations. The Director of Internal Audit reports directly to the Executive Director.



**Linda Renschler** has been appointed Director of Student and Administrative Services, KHEAA. She is responsible for administering state student financial aid programs and the Kentucky Education Savings Plan Trust, developing and disseminating publications, and developing and coordinating outreach programs.



**Michael Morgan** has been appointed Student Aid Branch Manager and will oversee KHEAA's grant, work-study, and scholarship programs, including the Kentucky Educational Excellence Scholarship (KEES).

Morgan comes to KHEAA from the student financial aid office at Transylvania University. He worked in financial aid at the University of Kentucky and Lexington Community College before joining the staff at Transylvania.



**Dena Spivey** is Policy and Client Services Branch Manager and provides policy and client services to parents, students, borrowers, schools, and lenders. Dena previously served as assistant director of financial aid at EKU.



# PLUS Loan preliminary credit report available on KHEAA Web site

**By Reva Howe**

Schools and lenders that contract with KHEAA for loan origination and disbursement services may now access the PLUS Loan Preliminary Credit Determination Report via KHEAA's Web site at [www.kheaa.com](http://www.kheaa.com).

This report indicates the credit decision on potential PLUS borrowers, whether the decision results from a request for a credit preapproval or from the receipt of a PLUS Loan application/promissory note. The report also includes the information for the student who will benefit from the loan. Schools should take advantage of accessing this report online because it is readily available and provides the information necessary to determine whether to certify a PLUS Loan or an Unsubsidized Stafford Loan.

All that is required to access this report online is a directory name, user name, and password. If you already access your disbursement roster and/or other KHEAA reports online, you already have access to this report. If you need online access or have trouble accessing KHEAA reports online, please contact the KHEAA Help Desk at (800) 818-2678.

To access this report and other KHEAA reports, go to KHEAA's home page and click on "Schools and Lenders" under KHEAA Online. You will find *KOL+* sign-on instructions. If you have questions regarding the Preliminary Credit Determination Report or if you want to continue receiving this by mail, please contact Reva Howe at (800) 564-6068 or via e-mail at [rhowe@kheaa.com](mailto:rhowe@kheaa.com).

## KHEAA Briefs

### *Common Manual updates*

**By David Rayborn**

Several *Common Manual* policy updates are included in this edition of the *KHEAA Newsletter*. These bulletins include reference numbers 335, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, and 565.

If you have questions regarding these updates or need additional copies, call the Policy and Client Services Branch at (502) 696-7273 or (800) 928-8926, extension 7273.

### *Default collections*

**By Lori Powers**

KHEAA improved its ranking to ninth in the nation for the collection of defaulted student loans in Federal Fiscal Year (FFY) 2001. For the past three years, KHEAA has consistently improved its default recovery ranking—from 24th in FFY1999 to 15th in FFY2000 to 9th in FFY 2001.

### *KHEAA Partners*

**By Elaine Brumback**

KHEAA has developed and implemented "KHEAA Partners" to communicate important messages and information (including the *KHEAA Partners Newsletter*) to our industry partners via e-mail. To subscribe, send a blank e-mail to: [kheapartners-subscriberequest@lists.KHEAA.com](mailto:kheapartners-subscriberequest@lists.KHEAA.com).

### *Annual Report*

**By Lori Powers**

The *KHEAA 2001 Annual Report* is available at [www.kheaa.com](http://www.kheaa.com). During FY2001, KHEAA awarded \$73.3 million from grant, scholarship, and work-study programs and guaranteed \$542.9 million in Federal Family Education Loans. The report contains other detailed information about KHEAA operations, programs, and services.



# KHEAA first to go to weekly electronic reporting of student loan data

**By Celia McDonald**

KHEAA is the first of the 36 guarantors nationwide to report up-to-date information to the National Student Loan Data System (NSLDS) on a weekly basis.

KHEAA is one of four guarantors that have begun reporting NSLDS data electronically instead of using the cumbersome and time-consuming cartridge/tape transfer process. Increasing the frequency of agency reporting gives students and schools more up-to-date information for tracking loans and eligibility for future aid.

After Dr. McCormick and NSLDS Executive Director Lynn Alexander agreed that students and schools would benefit by increasing the frequency of KHEAA's reporting, KHEAA staff and NSLDS staff worked together to accomplish the changeover in only two weeks. KHEAA began weekly reporting March 25.

NSLDS is the central database for U.S. Department of Education (USDE) student aid. It receives information from schools, agencies that guarantee Federal Family Education Loans, the Federal Direct Student Loan program, the Federal Pell Grant program, and other USDE programs.

Loan status and balances are available on the NSLDS Web site [nslds.ed.gov/](http://nslds.ed.gov/). Weekly reporting makes information on NSLDS more current. Students, schools, guarantors, and lenders can access this information. Balance information is used to monitor annual and aggregate loan limits and ensure borrower eligibility for additional student aid.

## Funds returned by schools now credited by e-transactions

**By Ruth Sweetman**

Funds returned to KHEAA by schools can now be credited to the lender/servicer account via ACH (electronic transaction). Previously, this has been a paper process whereby a check is returned along with a Funds Returned Report (FRR) that details the individual refunds and cancellations. KHEAA is now offering all lenders and servicers the option to access their FRR from the KHEAA Web site and have their corresponding funds sent via ACH to the account the lender/servicer specifies. This option will reduce the time between when the school sends the funds and when the lender/servicer receives the funds. If lenders/servicers want KHEAA to return funds via ACH, the request must be in writing. Authorization forms may be obtained by contacting Dena Spivey in the Policy and Client Services Branch at [dspivey@kheaa.com](mailto:dspivey@kheaa.com) or (502) 696-7495.

## Comma-delimited files available to schools

**By Ruth Sweetman**

The Disbursement Maintenance Pending Report, Pre/Post-Disbursement Maintenance Report, and the Post-Disbursement Cancellation and Refund Report are now available as comma-delimited files in the school Web directory through [www.kheaa.com](http://www.kheaa.com). Once the school is set up for this option, the files can be accessed through the *Download KHEAA Web Files* option on your *KOL + Menu*. The comma-delimited files allow schools to download the information into Excel spreadsheets and then arrange the information as they choose. Any school that would like to take advantage of this option may contact Ruth Sweetman at [rsweetman@kheaa.com](mailto:rsweetman@kheaa.com) or (502) 617-2699.



# Special allowance rates

## Quarter ending September 30, 2001

The average of the bond equivalent rates of the 91-day Treasury bills auctioned during the quarter ending September 30, 2001, is 3.35 percent. Loans from the following categories are eligible for special allowance as shown for the quarter ending September 30, 2001.

For: Loans made prior to 10/1/81.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
7%	.0000	.000000
9%	.0000	.000000

- For:
- Federal Stafford Loans (subsidized) and fixed-rate PLUS Loans made on or after 10/1/81 but prior to 10/17/86.
  - Federal Stafford Loans (subsidized) and fixed-rate PLUS Loans made on or after 10/17/86 but prior to 11/16/86 for periods of enrollment beginning prior to 11/16/86.
  - Federal Consolidation Loans made on or after 10/1/81 but prior to 11/16/86.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
7%	.0000	.000000
8%	.0000	.000000
9%	.0000	.000000
12%	.0000	.000000
14%	.0000	.000000

- For:
- Federal Stafford Loans (subsidized) and fixed-rate PLUS/SLS Loans made on or after 10/17/86 but prior to 11/16/86 for periods of enrollment beginning on or after 11/16/86.
  - Federal Stafford Loans (subsidized) made on or after 11/16/86 but prior to 10/1/92.
  - Federal Stafford Loans (unsubsidized, made pursuant to §428H of the Act) made prior to 10/1/92 for periods of enrollment beginning on or after 10/1/92.
  - Fixed-rate Federal PLUS/SLS Loans made on or after 11/16/86 but prior to 7/1/87.
  - Variable-rate Federal PLUS/SLS Loans made on or after 7/1/87 but prior to 10/1/92, *only* if the variable-rate for each July 1–June 30 period reaches the statutory maximum of 12%.
  - Federal Consolidation Loans made on or after 11/16/86 but prior to 10/1/92.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
6.79%	.0000	.000000
6.94%	.0000	.000000
7.00%	.0000	.000000
8.00%	.0000	.000000
9.00%	.0000	.000000
10.00%	.0000	.000000
11.00%	.0000	.000000
12.00%	.0000	.000000
13.00%	.0000	.000000
14.00%	.0000	.000000

- For:
- Federal Stafford Loans (subsidized) made on or after 10/1/92 but prior to 7/1/95.
  - Federal Stafford Loans (unsubsidized) made on or after 10/1/92 but prior to 7/1/95 for periods of enrollment beginning on or after 10/1/92.
  - Federal Stafford Loans (subsidized and unsubsidized) made on or after 7/1/95 but prior to 7/1/98, *except* during the in-school, grace, and deferment periods..
  - Variable-rate Federal PLUS/SLS Loans made on or after 10/1/92 but prior to 7/1/94, only if the variable-rate for each July 1–June 30 period reaches the statutory maximum of 11% (SLS) or 10% (PLUS).
  - Variable-rate Federal PLUS Loans made on or after 7/1/94 but prior to 7/1/98.
  - Variable-rate Federal PLUS Loans made on or after 7/1/98 but prior to 1/1/00 (special allowances shall not be paid unless the calculated interest rate exceeds the 9% cap).
  - Federal Consolidation Loans made on or after 10/1/92 but prior to 10/1/98.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
6.00%	.0045	.001125
6.56%	.0000	.000000
6.79%	.0000	.000000
7.00%	.0000	.000000
8.00%	.0000	.000000
9.00%	.0000	.000000
10.00%	.0000	.000000
11.00%	.0000	.000000
12.00%	.0000	.000000
13.00%	.0000	.000000

- For: Federal Stafford Loans (subsidized and unsubsidized) made on or after 7/1/95 but prior to 7/1/98, *only* during the in-school, grace, and deferment periods.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
6.19%	.0000	.000000

- For: Federal Stafford Loans (subsidized and unsubsidized) made on or after 7/1/98 but prior to 1/1/00, *only* during the in-school, grace, and deferment periods.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
5.39%	.0016	.000400

- For: Federal Stafford Loans (subsidized and unsubsidized) made on or after 7/1/98 but prior to 1/1/00, *except* during the in-school, grace, and deferment periods.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
5.99%	.0016	.000400

For: Federal Consolidation Loans made on or after 10/1/98 but prior to 1/1/00.

**Formula:** 3.35% plus (3.1%) less (applicable interest rate) = special allowance rate.

**Note:** The interest rate for these Consolidation Loans is determined by taking the weighted average of the interest rates on the loans being consolidated, rounded to the nearest higher 1/8<sup>th</sup> of one percent. Therefore, due to the wide range of possible applicable interest rates, no further calculations are shown here.

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The average of the bond equivalent rates of the quotes of the 3-month commercial paper (financial) rates in effect for each of the days in the quarter ending September 30, 2001, is 3.41 percent. Loans from the following categories are eligible for special allowance as shown for the quarter ending September 30, 2001.

For: Federal Stafford Loans (subsidized and unsubsidized) and made on or after 1/1/00 but prior to 7/1/03, *only* during the in-school, grace, and deferment periods.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
5.39%	.0000	.000000

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For: Federal Stafford Loans (subsidized and unsubsidized) and made on or after 1/1/00 but prior to 7/1/03, *except* during the in-school, grace, and deferment periods.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
5.99%	.0000	.000000

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For: Federal PLUS Loans and made on or after 1/1/00 but prior to 7/1/03, (special allowance shall not be paid unless the calculated interest rate exceeds the 9% cap).

**Note:** The current interest rate for PLUS Loans is 6.79%. Since this rate does not exceed the 9% cap, no special allowance will be paid during the period 7/1/01 through 6/30/02.

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For: Federal Consolidation Loans for applications received on or after 1/1/00 but prior to 7/1/03.

**Formula:** 3.41% plus (2.64%) less (applicable interest rate) = annual special allowance rate.

**Note:** The interest rate for these Consolidation Loans is determined by taking the weighted average of the interest rates on the loans being consolidated, rounded to the nearest higher 1/8<sup>th</sup> of one percent. Therefore, due to the wide range of possible applicable interest rates, no further calculations are shown here.

## Quarter ending December 31, 2001

The average of the bond equivalent rates of the 91-day Treasury bills auctioned during the quarter ending December 31, 2001, is 1.97 percent. Loans from the following categories are eligible for special allowance as shown for the quarter ending December 31, 2001.

For: Loans made prior to 10/1/81.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
7%	.0000	.000000
9%	.0000	.000000

- For:
- Federal Stafford Loans (subsidized) and fixed-rate PLUS Loans made on or after 10/1/81 but prior to 10/17/86.
  - Federal Stafford Loans (subsidized) and fixed-rate PLUS Loans made on or after 10/17/86 but prior to 11/16/86 for periods of enrollment beginning prior to 11/16/86.
  - Federal Consolidation Loans made on or after 10/1/81 but prior to 11/16/86.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
7%	.0000	.000000
8%	.0000	.000000
9%	.0000	.000000
12%	.0000	.000000
14%	.0000	.000000

- For:
- Federal Stafford Loans (subsidized) and fixed-rate PLUS/SLS Loans made on or after 10/17/86 but prior to 11/16/86 for periods of enrollment beginning on or after 11/16/86.
  - Federal Stafford Loans (subsidized) made on or after 11/16/86 but prior to 10/1/92.
  - Federal Stafford Loans (unsubsidized, made pursuant to §428H of the Act) made prior to 10/1/92 for periods of enrollment beginning on or after 10/1/92.
  - Fixed-rate Federal PLUS/SLS Loans made on or after 11/16/86 but prior to 7/1/87.
  - Variable-rate Federal PLUS/SLS Loans made on or after 7/1/87 but prior to 10/1/92, *only* if the variable-rate for each July 1–June 30 period reaches the statutory maximum of 12%.
  - Federal Consolidation Loans made on or after 11/16/86 but prior to 10/1/92.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
6.79%	.0000	.000000
6.94%	.0000	.000000
7.00%	.0000	.000000
8.00%	.0000	.000000
9.00%	.0000	.000000
10.00%	.0000	.000000
11.00%	.0000	.000000
12.00%	.0000	.000000
13.00%	.0000	.000000
14.00%	.0000	.000000

- For:
- Federal Stafford Loans (subsidized) made on or after 10/1/92 but prior to 7/1/95.
  - Federal Stafford Loans (unsubsidized) made on or after 10/1/92 but prior to 7/1/95 for periods of enrollment beginning on or after 10/1/92.
  - Federal Stafford Loans (subsidized and unsubsidized) made on or after 7/1/95 but prior to 7/1/98, *except* during the in-school, grace, and deferment periods.
  - Variable-rate Federal PLUS/SLS Loans made on or after 10/1/92 but prior to 7/1/94, *only* if the variable-rate for each July 1–June 30 period reaches the statutory maximum of 11% (SLS) or 10% (PLUS).
  - Variable-rate Federal PLUS Loans made on or after 7/1/94 but prior to 7/1/98.
  - Variable-rate Federal PLUS Loans made on or after 7/1/98 but prior to 1/1/00 (special allowance shall not be paid unless the calculated interest rate exceeds the 9% cap).
  - Federal Consolidation Loans made on or after 10/1/92 but prior to 10/1/98.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
6.00%	.0000	.000000
6.56%	.0000	.000000
6.79%	.0000	.000000
7.00%	.0000	.000000
8.00%	.0000	.000000
9.00%	.0000	.000000
10.00%	.0000	.000000
11.00%	.0000	.000000
12.00%	.0000	.000000
13.00%	.0000	.000000
14.00%	.0000	.000000

- For: Federal Stafford Loans (subsidized and unsubsidized) made on or after 7/1/95 but prior to 7/1/98, *only* during the in-school, grace, and deferment periods.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
6.19%	.0000	.000000

- For: Federal Stafford Loans (subsidized and unsubsidized) made on or after 7/1/98 but prior to 1/1/00, *only* during the in-school, grace, and deferment periods.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
5.39%	.0000	.000000

- For: Federal Stafford Loans (subsidized and unsubsidized) made on or after 7/1/98 but prior to 1/1/00, *except* during the in-school, grace, and deferment periods.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
5.99%	.0000	.000000



For: Federal Consolidation Loans made on or after 10/1/98 but prior to 1/1/00.

**Formula:** 1.97% plus (3.1%) less (applicable interest rate) = special allowance rate.

**Note:** The interest rate for these Consolidation Loans is determined by taking the weighted average of the interest rates on the loans being consolidated, rounded to the nearest higher 1/8<sup>th</sup> of one percent. Therefore, due to the wide range of possible applicable interest rates, no further calculations are shown here.

The average bond equivalent rates of the quotes of the 3-month commercial paper (financial) rates in effect for each of the days in the quarter ending December 31, 2001, is 2.07 percent. Loans from the following categories are eligible for special allowance as shown for the quarter ended December 31, 2001.

For: Federal Stafford Loans (subsidized and unsubsidized) made on or after 1/1/00 but prior to 7/1/03, *only* during the in-school, grace, and deferment periods.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
5.39%	.0000	.000000

For: Federal Stafford Loans (subsidized and unsubsidized) made on or after 1/1/00 but prior to 7/1/03, *except* during the in-school, grace, and deferment periods.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
5.99%	.0000	.000000

For: Federal PLUS Loans made on or after 1/1/00 but prior to 7/1/03 (special allowance shall not be paid unless the calculated interest rate exceeds the 9% cap).

**Note:** The current interest rate for PLUS loans is 6.79%. Since this rate does not exceed the 9% cap, no special allowance will be paid during the period 7/1/01 through 6/30/02.

For: Federal Consolidation Loans for applications received on or after 1/1/00 but prior to 7/1/03.

**Formula:** 2.07% plus (2.64%) less (applicable interest rate) = annual special allowance rate.

**Note:** The interest rate for these Consolidation Loans is determined by taking the weighted average of the interest rates on the loans being consolidated, rounded to the nearest higher 1/8<sup>th</sup> of one percent. Therefore, due to the wide range of possible applicable interest rates, no further calculations are shown here.

## Quarter ending March 31, 2002

The average of the bond equivalent rates of the 91-day Treasury bills auctioned during the quarter ending March 31, 2002, is 1.76 percent. Loans from the following categories are eligible for special allowance as shown for the quarter ending March 31, 2002.

For: Loans made prior to 10/1/81.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
7%	.0000	.000000
9%	.0000	.000000

- For:
- Federal Stafford Loans (subsidized) and fixed-rate PLUS Loans made on or after 10/1/81 but prior to 10/17/86.
  - Federal Stafford Loans (subsidized) and fixed-rate PLUS Loans made on or after 10/17/86 but prior to 11/16/86 for periods of enrollment prior to 11/16/86.
  - Federal Consolidation Loans made on or after 10/1/81 but prior to 11/16/86.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
7%	.0000	.000000
8%	.0000	.000000
9%	.0000	.000000
12%	.0000	.000000
14%	.0000	.000000

- For:
- Federal Stafford Loans (subsidized) and fixed-rate PLUS/SLS Loans made on or after 10/17/86 but prior to 11/16/86 for periods of enrollment beginning on or after 11/16/86.
  - Federal Stafford Loans (subsidized) made on or after 11/16/86 but prior to 10/1/92.
  - Federal Stafford Loans (unsubsidized, made pursuant to §428H of the Act) made prior to 10/1/92 for periods of enrollment beginning on or after 10/1/92.
  - Fixed-rate Federal PLUS/SLS Loans made on or after 11/16/86 but prior to 7/1/87.
  - Variable-rate Federal PLUS/SLS Loans made on or after 7/1/87 but prior to 10/1/92, *only* if the variable-rate for each July 1–June 30 period reaches the statutory maximum of 12%.
  - Federal Consolidation Loans made on or after 11/16/86 but prior to 10/1/92.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
6.79%	.0000	.000000
6.94%	.0000	.000000
7.00%	.0000	.000000
8.00%	.0000	.000000
9.00%	.0000	.000000
10.00%	.0000	.000000
11.00%	.0000	.000000
12.00%	.0000	.000000
13.00%	.0000	.000000
14.00%	.0000	.000000

- For:
- Federal Stafford Loans (subsidized) made on or after 10/1/92 but prior to 7/1/95.
  - Federal Stafford Loans (unsubsidized) made on or after 10/1/92 but prior to 7/1/95 for periods of enrollment beginning on or after 10/1/92.
  - Federal Stafford Loans (subsidized and unsubsidized) made on or after 7/1/95 but prior to 7/1/98, *except* during the in-school, grace, and deferment periods.
  - Variable-rate Federal PLUS/SLS Loans made on or after 10/1/92 but prior to 7/1/94, *only* if the variable-rate for each July 1–June 30 period reaches the statutory maximum of 11% (SLS) or 10% (PLUS).
  - Variable-rate Federal PLUS Loans made on or after 7/1/94 but prior to 7/1/98.
  - Variable-rate Federal PLUS Loans made on or after 7/1/98 but prior to 1/1/00 (special allowance shall not be paid unless the calculated interest rate exceeds the 9% cap).
  - Federal Consolidation Loans made on or after 10/1/92 but prior to 10/1/98.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
6.00%	.0000	.000000
6.56%	.0000	.000000
6.79%	.0000	.000000
7.00%	.0000	.000000
8.00%	.0000	.000000
9.00%	.0000	.000000
10.00%	.0000	.000000
11.00%	.0000	.000000
12.00%	.0000	.000000
13.00%	.0000	.000000
14.00%	.0000	.000000

- For: Federal Stafford Loans (subsidized and unsubsidized) made on or after 7/1/95 but prior to 7/1/98, *only* during the in-school, grace, and deferment periods.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
6.19%	.0000	.000000

- For: Federal Stafford Loans (subsidized and unsubsidized) made on or after 7/1/98 but prior to 1/1/00, *only* during the in-school, grace, and deferment periods.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
5.39%	.0000	.000000

- For: Federal Stafford Loans (subsidized and unsubsidized) made on or after 7/1/98 but prior to 1/1/00, *except* during the in-school, grace, and deferment periods.

Applicable Annual Interest Rate	Special Allowance at Annual Rate	Special Allowance for 3-month Period
5.99%	.0000	.000000

For: Federal Consolidation Loans made on or after 10/1/98 but prior to 1/1/00.

**Formula:** 1.76% plus (3.1%) less (applicable interest rate) = special allowance rate.

**Note:** The interest rate for these consolidation loans is determined by taking the weighted average of the interest rates on the loans being consolidated, rounded to the nearest higher 1/8<sup>th</sup> of one percent. Therefore, due to the wide range of possible applicable interest rates, no further calculations are shown here.

The average of the bond equivalent rates of the quotes of the 3-month commercial paper (financial) rates in effect for each of the days in the quarter ending March 31, 2002, is 1.83 percent. Loans from the following categories are eligible for special allowance as shown for the quarter ending March 31, 2002.

For: Federal Stafford Loans (subsidized and unsubsidized) made on or after 1/1/00 but prior to 7/1/03, *only* during the in-school, grace, and deferment periods.

**Applicable Annual  
Interest Rate**

5.39%

**Special Allowance  
at Annual Rate**

.0000

**Special Allowance  
for 3-month Period**

.000000

For: Federal Stafford Loans (subsidized and unsubsidized) made on or after 1/1/00 but prior to 7/1/03, *except* during the in-school, grace, and deferment periods.

**Applicable Annual  
Interest Rate**

5.99%

**Special Allowance  
at Annual Rate**

.0000

**Special Allowance  
for 3-month Period**

.000000

For: Federal PLUS Loans made on or after 1/1/00 but prior to 7/1/03 (special allowance shall not be paid unless the calculated interest rate exceeds the 9% cap).

**Note:** The current interest rate for PLUS loans is 6.79%. Since this rate does not exceed the 9% cap, no special allowance will be paid during the period 7/1/01 through 6/30/02.

For: Federal Consolidation Loans for applications received on or after 1/1/00 but prior to 7/1/03.

**Formula:** 1.83% plus (2.64%) less (applicable interest rate) = annual special allowance rate.

**Note:** The interest rate for these consolidation loans is determined by taking the weighted average of the interest rates on the loans being consolidated, rounded to the nearest higher 1/8<sup>th</sup> of one percent. Therefore, due to the wide range of possible applicable interest rates, no further calculations are shown here.

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## ***Common Manual Bulletin***

### **Reference #335 Assignment of Loans**

#### **Loan Assignment, Sale, and Transfer Requirements Clarified**

The *Common Manual* has been revised to reflect existing regulatory provisions indicating when a loan may be assigned, sold, or transferred, to define the terms “assignment of a loan” and “loan sale,” and to amend the definition of the term “loan transfer.” An assignment or sale may only occur between lenders and holders that are eligible to participate in the loan and guarantor programs applicable to the loan type being assigned.

If the assignment or sale of a loan changes the identity of the party to whom the borrower must send subsequent payments or communications, the loan may be assigned or sold only if it is fully disbursed. If the assignment or sale does not change the identity of the party to whom payments or communications are sent, the lender may assign or sell the loan after making the first disbursement. If a loan that is in a grace or repayment status is not assigned or sold, but the servicing of the loan is transferred to another party, the loan holder must notify the borrower regarding the contact information for the new servicing party.

The revised policy adds glossary definitions of the terms “assignment of a loan” and “loan sale.” Assignment of a loan is defined as any change in the ownership interest of a loan, including a pledge of such an ownership interest as security. The term “loan sale” is defined as the change of ownership of a loan from one eligible FFELP lender or holder to another lender or holder. The definition of “loan transfer” is changed to include only those transactions that result in a change in the system used to monitor or conduct collection activities on the loan.

In addition, general requirements regarding loan sales and transfers from subsection 3.3.C. have been consolidated with associated borrower notification requirements in subsection 3.4.B. As a result, subsection 3.3.C. has been removed and subsection 3.3.D. has been redesignated as 3.3.C.

Affected Sections:	3.3.C., 3.3.D., 3.4.B., 3.5.E., appendix G
Effective Date:	Retroactive to the implementation of the <i>Common Manual</i> .
Basis:	§682.208(e); §682.401(b)(17).
Policy Information:	Reference 335
Guarantor Comments:	None.



## ***Common Manual Bulletin***

### **Reference #533 Extended Repayment Terms**

#### **Extended Repayment Terms**

Subsection 2.1.B. of the *Common Manual* has been updated to include language regarding the maximum repayment period of 25 years for an extended repayment schedule. In addition, readers are referred to subsection 7.6.D. for more information regarding extended repayment schedules.

Affected Sections:	2.1.B.
Effective Date:	Extended repayment schedules disclosed to new borrowers on or after October 7, 1998, who have an outstanding balance of principal and interest in FFELP loans totaling more than \$30,000.
Basis:	HEA 428(b)(9)(A)(iv); §682.209(a)(7)(ix).
Policy Information:	Reference 533
Guarantor Comments:	None.

## ***Common Manual Bulletin***

### **Reference #534 PLUS Loan Repayment Notification**

#### **PLUS Loan Repayment Notification**

The *Common Manual* has been updated to more accurately reflect that a lender must notify a borrower of repayment information in simple and understandable terms at or before the beginning of the repayment period. For PLUS loan borrowers, the repayment period begins on the date of the last disbursement. The time frame for providing repayment information to Stafford or SLS loan borrowers has been removed from section 7.5. References to these time frames are already included in subsections 7.5.A. and 7.5.B. Previous guidance did not include the requirement that the notification be in simple and understandable terms and incorrectly stated that the repayment disclosure must be sent to a PLUS loan borrower before or at the time the funds were *first* disbursed.

Affected Sections:	7.5, 7.5.A., 7.5.C.
Effective Date:	The requirement to provide repayment information to borrowers in simple and understandable terms is effective July 1, 2000. All other revisions are effective retroactive to the implementation of the <i>Common Manual</i> .
Basis:	§682.205(c)(1); §682.209(a)(2)(i).
Policy Information:	Reference 534
Guarantor Comments:	None.

## ***Common Manual Bulletin***

### **Reference #535 Consolidation Loans and the Extended Repayment Schedule**

#### **Consolidation Loans and the Extended Repayment Schedule**

The “Maximum Repayment Periods for Consolidation Loans” chart in the *Common Manual* has been revised to indicate that a new borrower on or after October 7, 1998, with an outstanding balance of principal and interest in FFELP loans totaling more than \$30,000, may select an extended repayment schedule that allows for a repayment period not to exceed 25 years.

Affected Sections:	9.5.B.
Effective Date:	Repayment schedules disclosed to new borrowers on or after October 7, 1998.
Basis:	§682.209(a)(7)(ix).
Policy Information:	Reference 535
Guarantor Comments:	None.

## ***Common Manual Bulletin***

### **Reference #536 Definition of Disposable Income**

#### **Definition of Disposable Income**

The definition of "Disposable Income" is being removed from the Glossary because the term was not used within the text of the *Common Manual*.

Affected Sections:	Appendix G
Effective Date:	Retroactive to the implementation of the <i>Common Manual</i> .
Basis:	Final Rule published in the <i>Federal Register</i> on June 29, 1994, pages 33580, 33581, 33594, and 33595; §682.210(s).
Policy Information:	Reference 536
Guarantor Comments:	None.

## ***Common Manual Bulletin***

### **Reference #537 Extended Repayment Schedule**

#### **Extended Repayment Schedules**

The *Common Manual* has been revised to state that new borrowers on or after October 7, 1998, may qualify for an extended repayment schedule if they have multiple lenders with an aggregate FFELP loan amount totaling more than \$30,000. A lender must retain a record of the basis for determining a borrower's eligibility for an extended repayment schedule, if the total loan amount it holds is not more than \$30,000.

Affected Sections:	7.6.D.
Effective Date:	Extended repayment schedules disclosed on or after January 1, 2002.
Basis:	None.
Policy Information:	Reference 537
Guarantor Comments:	None.



## ***Common Manual Bulletin***

### **Reference #538 Cohort Default Rate Guide**

#### **U.S. Department of Education Publications**

The *Common Manual* has been updated to remove references to the *Draft Cohort Default Rate Guide* and the *Official Cohort Default Rate Guide* and replace them with a reference to the *Cohort Default Rate Guide*, which replaced both of those publications. These references were previously updated in chapter 10, which provides a more detailed outline of the cohort default rate process.

Affected Sections:	2.3.B., 10.3
Effective Date:	Cohort default rates calculated on or after July 1, 2001.
Basis:	Final Rules published in Part VII of the <i>Federal Register</i> , pages 65631-65651, dated November 1, 2000; §668.192 through §668.198.
Policy Information:	Reference 538
Guarantor Comments:	None.

## ***Common Manual Bulletin***

### **Reference #539 Cost of Attendance**

#### **Cost of Attendance**

The *Common Manual* has been revised to clarify that a student's financial aid package, including loans, must not exceed the student's cost of attendance, as opposed to the student's need.

Affected Sections:	4.2.A., 5.3, 5.8.A., Appendix G
Effective Date:	Retroactive to the implementation of the <i>Common Manual</i> .
Basis:	§682.204(k); §682.603(d).
Policy Information:	Reference 539
Guarantor Comments:	None.

## ***Common Manual Bulletin***

### **Reference #540 Satisfactory Academic Progress**

#### **Satisfactory Academic Progress (SAP)**

The *Common Manual* has been updated to clarify that the 150% rule for program completion is based on the published program length, not the completion time normally allotted for the program. In addition, this requirement applies only to undergraduate programs.

Affected Sections:	6.3.A., Appendix G
Effective Date:	Retroactive to the implementation of the <i>Common Manual</i> .
Basis:	§668.16(e)(2)(ii)(A).
Policy Information:	Reference 540
Guarantor Comments:	None.

## ***Common Manual Bulletin***

### **Reference #541 Borrower Authorizations**

#### **Borrower Authorization for Release of EFT/Master Check Disbursements**

The *Common Manual* has been updated to eliminate language referencing Stafford loans made using a common loan application and promissory note because all Stafford loans are now made using a Master Promissory Note (MPN). In addition, the exception for students enrolled in study-abroad programs or eligible foreign schools to provide a power of attorney for an individual not affiliated with the school to sign the authorization for release of electronic funds transfer (EFT) or master check disbursements has been eliminated because this authorization is included on the MPN and does not pertain to PLUS loans.

Affected Sections:	6.3.C.
Effective Date:	Retroactive to the implementation of the Master Promissory Note (MPN).
Basis:	§682.207(b)(1)(v)(B)(3); §682.207(b)(1)(v)(D).
Policy Information:	Reference 541
Guarantor Comments:	None.

## ***Common Manual Bulletin***

### **Reference #542 NSLDS-SSCR Process**

#### **SSCR Responsibility**

The *Common Manual* has been updated to reflect that the responsibility of the distribution and collection of Student Status Confirmation Reports (SSCRs) no longer lies with the guarantor once the school receives a letter from the Department confirming the school's successful SSCR testing with the National Student Loan Data System (NSLDS). Revised policy also states that the Department, via the NSLDS, is responsible for ensuring that SSCR information is distributed to the appropriate guarantor and, in some cases, lenders.

Affected Sections:	7.3
Effective Date:	The date the school receives a letter from the Department indicating that the school has successfully tested its Student Status Confirmation Report (SSCR) process through the National Student Loan Data System (NSLDS).
Basis:	Dear Colleague Letter GEN-96-17.
Policy Information:	Reference 542
Guarantor Comments:	None.

## ***Common Manual Bulletin***

### **Reference #543 Death Claims**

#### **Timely Filing Penalties for Death Claims**

The *Common Manual* has been revised to more accurately reflect that a death claim that is not *filed* within 60 days of receiving an original or certified copy of the death certificate will be subject to an interest penalty, and the lender will be required to repay all interest benefits and special allowance payments for amounts received or otherwise payable after the expiration of the 60-day filing deadline. Previously, the manual stated that a death claim *purchased* after the 60th day would be subject to an interest penalty. In addition, a reference has been added to refer readers to subsections 8.8.E. and <sup>CCI</sup>8.2.B., Penalties for Timely Claim Filing Violations.

Affected Sections:	8.2.B., <sup>CCI</sup> 8.2.B.
Effective Date:	Retroactive to the implementation of the <i>Common Manual</i> .
Basis:	§682.402(g)(2)(i).
Policy Information:	Reference 543
Guarantor Comments:	None.

## ***Common Manual Bulletin***

### **Reference #544 Disbursements After Bankruptcy**

#### **Loan Disbursements When a Bankruptcy Action is Filed**

The *Common Manual* has been revised to provide the lender flexibility in making loan disbursements when the borrower files certain types of bankruptcy actions before the loan is fully disbursed. If the bankruptcy action does not require the filing of a claim with the guarantor, the lender may—but is not required to—make subsequent disbursements of a loan. If the lender chooses not to make the remaining disbursements, the lender must notify the school, the borrower, and the guarantor of the disbursement cancellations. The lender also must notify the borrower that he or she may reapply for the loan funds in the same amount that was not disbursed. The lender must ensure that decisions to cancel—or not cancel—subsequent disbursements are administered consistently.

As with bankruptcy actions for which a claim is required, if the lender cancels any of the undisbursed or undelivered funds because of a bankruptcy action, the lender must agree to make a new loan for the amount that was canceled or any remaining loan eligibility as determined by the school.

Affected Sections:	6.2.I., 8.2.D., <sup>CCI</sup> 8.2.D.
Effective Date:	Bankruptcy notices received by the lender on or after January 1, 2002, unless implemented earlier by the guarantor.
Basis:	None.
Policy Information:	Reference 544
Guarantor Comments:	None.



## ***Common Manual Bulletin***

### **Reference #545 NSLDS Data for Program Reviews**

#### **NSLDS Data Included in Program Reviews**

The *Common Manual* has been updated to add National Student Loan Data System (NSLDS) rosters, reporting, and procedures to the list of items that a guarantor may include in a school program review, and NSLDS Lender Manifest, error reports, and procedures to the list of items a guarantor may include in a lender or servicer program review. It also adds improper NSLDS reporting and procedures to the list of common program review findings.

Affected Sections:	11.3.A., 11.3.B., 11.3.C.
Effective Date:	Effective retroactive to the implementation of National Student Loan Data System (NSLDS) reporting.
Basis:	DCL GEN-96-13; DCL GEN-96-17; DCL GEN-97-11; Student Status Confirmation Report (SSCR) User's Guide; U.S. Department of Education Program Review Guides.
Policy Information:	Reference 545
Guarantor Comments:	None.

## ***Common Manual Bulletin***

### **Reference #546 Return of Unearned Loan Proceeds**

#### **Return of Unearned d Loan Proceeds**

The *Common Manual* has been corrected to state that if a student officially or unofficially withdraws, takes an unapproved leave of absence, does not return from an approved leave of absence, or is expelled, the school must return to the lender that portion of unearned Federal Family Education Loan (FFEL) funds for which the school is responsible no later than 30 days from the date the school determines that the student is no longer enrolled. In the case of an approved leave of absence, the funds must be returned within 30 days from the date the student notifies the school that he or she will not return or the ending date of the leave of absence, whichever is earlier. This change aligns the text in this subsection with text in federal regulations as well as with text in subsection 4.7.B.

Affected Sections:	6.3.G.
Effective Date:	School refund determinations made on or after October 7, 2000, unless implemented earlier by the school on or after November 1, 1999.
Basis:	§668.22(j).
Policy Information:	Reference 546
Guarantor Comments:	None.

## *Common Manual Bulletin*

### **Reference #547 Mandatory Bankruptcy Claim Recall**

#### **Recall Requirements Corrected**

The *Common Manual* has been corrected to include the currently enforced requirement that a lender must recall a bankruptcy claim if the lender receives notice that the bankruptcy case has been dismissed.

Affected Sections:	8.5, <sup>CCI</sup> 8.5
Effective Date:	Retroactive to the implementation of the <i>Common Manual</i> .
Basis:	§682.402(f)(5).
Policy Information:	Reference 547
Guarantor Comments:	None.

## ***Common Manual Bulletin***

### **Reference #548 Bankruptcy After Default**

#### **Bankruptcy Repurchase Clarified**

A correction has been made to the text of the *Common Manual* to clarify that lenders are not required to repurchase a loan upon which a default claim was paid prior to the date of the borrower's bankruptcy petition. Previously, the policy stated that the repurchase was not required if the default claim was paid prior to the date the lender received the notice of the bankruptcy action. The revised policy more accurately identifies the petition date as the trigger for the repurchase requirement rather than the lender's receipt date.

Affected Sections:	8.7, <sup>CCI</sup> 8.7
Effective Date:	Retroactive to the implementation of the <i>Common Manual</i> .
Basis:	None.
Policy Information:	Reference 548
Guarantor Comments:	None.

## ***Common Manual Bulletin***

### **Reference #549 Glossary Definition of “Week”**

#### **Glossary Definition of “Week”**

The *Common Manual* has been updated to align the glossary definition of “Week” with language pertaining to a “week of instruction” included in subsection 4.1.C. of the manual.

Affected Sections:	Appendix G
Effective Date:	A “week of instruction” as determined by the school on or after July 1, 2001.
Basis:	§668.8(b)(2) and (3).
Policy Information:	Reference 549
Guarantor Comments:	None.

## ***Common Manual Bulletin***

### **Reference #551 Penalties for Due Diligence Violations and Gaps**

#### **Penalties for Due Diligence Violations and Gaps**

The *Common Manual* has been revised to ensure consistency between subsections that address the cure of a loss of guarantee. Some *Common Manual* cites already correctly identify that a loss of a loan's guarantee occurs if there is a gap of 46 days or more. Subsections 8.8.C. and <sup>CCI</sup>8.8.C., however, incorrectly state that the loss of guarantee occurs if there is a gap of 46 days or more and one or more violations. The revised policy amends these two subsections, and states that the earliest unexcused violation date is the 46<sup>th</sup> day (or 61<sup>st</sup> day in the case of a transfer) following the date of the last collection activity that started the gap.

Affected Sections:	8.8.C., <sup>CCI</sup> 8.8.C.
Effective Date:	Retroactive to loans on which the first day of delinquency on the oldest outstanding due date is after July 1, 1996.
Basis:	§682 Appendix D; DCL 96-L-186/96-G-287, Q&A #68 and #69.
Policy Information:	Reference 551
Guarantor Comments:	None.

## *Common Manual Bulletin*

### **Reference #552 Applying for a Stafford Loan**

#### **Applying for a Stafford Loan**

The *Common Manual* has been updated to state that the Free Application for Federal Student Aid (FAFSA) is the only application a student may use to apply for a Stafford loan.

Affected Sections:	2.2.A.
Effective Date:	Retroactive to the implementation of the Master Promissory Note (MPN).
Basis:	HEA 432(m)(1)(c); §682.102(a)—as updated in the <i>Federal Register</i> dated November 1, 1999.
Policy Information:	Reference 552
Guarantor Comments:	None.



## ***Common Manual Bulletin***

### **Reference #553 Consolidation Loan Forms**

#### **Consolidation Loan Applications**

The *Common Manual* is being revised to delete all references to Consolidation loan forms other than the common Consolidation loan forms and to delete references to the differences between using the common Consolidation loan forms and other Consolidation loan forms. The new common Consolidation forms were issued by the Department in October 2000 in GEN-00-16 which allowed immediate use of the forms, but did not require the use of the forms for all Consolidation loan applications until January 1, 2002.

Affected Sections:	9.2, 9.3.B., 9.3.C.
Effective Date:	Consolidation loan applications signed by borrowers on or after January 1, 2002.
Basis:	DCL GEN-00-16/G-00-330/L-00-224.
Policy Information:	Reference 553
Guarantor Comments:	None.

## ***Common Manual Bulletin***

### **Reference #554 Supplemental Claim Changes**

#### **Common Supplemental Claim Policies Implemented**

Guarantors developed a common Supplemental Claim Form and related policies some time ago. While other aspects of the Common Claim Initiative (CCI) have been deferred to permit the development and implementation of electronic formats, the supplemental claim filing process is not currently being developed in the electronic arena. Guarantors believe significant efficiencies can be achieved by implementing the revised minimum supplemental claim amount and the common form. Common policy already permits the lender a 90-day period in which to file the supplemental claim, measured from the date the lender receives the claim payment. The *Common Manual* guarantors are implementing two new common policies related to supplemental claims, as follows:

- The lender may not file a supplemental claim for less than \$50. This amount may include principal, interest, or both.
- Lenders must submit the common Supplemental Claim Form to request claim payment increases.

Affected Sections:	8.6.D.
Effective Date:	Supplemental claim requests filed by the lender on or after July 1, 2002, unless implemented earlier by the guarantor.
Basis:	None.
Policy Information:	Reference 554
Guarantor Comments:	None.

## ***Common Manual Bulletin***

### **Reference #555 Exceeding Loan Limits and Title IV Eligibility**

#### **Clarification: Borrower Exceeds Maximum Loan Amounts**

The *Common Manual* has been revised to clarify that if a borrower exceeds either an annual or aggregate loan limit established in statute, the borrower may not receive additional Title IV funds of any type until one of the following occurs:

1. The borrower authorizes the school to adjust the excess loan amount or reallocate funds between a subsidized Stafford loan and an unsubsidized Stafford loan for which the borrower is eligible.
2. The borrower repays in full the excess loan amount.
3. The borrower makes arrangements satisfactory to the holder of the loan to repay the excess loan amounts.

Affected Sections:	5.7
Effective Date:	Retroactive to the implementation of the <i>Common Manual</i> .
Basis:	§668.32(g)(2).
Policy Information:	Reference 555
Guarantor Comments:	None.

## ***Common Manual Bulletin***

### **Reference #556 Forbearance Documentation**

#### **Forbearance Records**

The *Common Manual* has been revised to ensure consistency between subsections and to clarify that lenders may use any form or format acceptable to the guarantor to obtain a signed forbearance agreement. In cases where a signed forbearance agreement is required, the lender must retain a copy of that agreement. In addition, for each forbearance period, regardless of whether a signed agreement is required, the lender must document in the borrower's file or the loan's servicing history the forbearance beginning and ending dates and the reason for granting forbearance.

Affected Sections:	7.11.I.
Effective Date:	Retroactive to the implementation of the <i>Common Manual</i> .
Basis:	§682.414(a)(4)(ii)(G).
Policy Information:	Reference 556
Guarantor Comments:	None.

## ***Common Manual Bulletin***

### **Reference #557 Default Claims**

#### **Default Claims**

The *Common Manual* has been revised to eliminate repetitive information regarding the timely filing deadlines for default claims within the same subsection and to align text in subsection 8.2.A. with text already in subsection 8.1.D. A new introductory paragraph has been added that states that if a borrower defaults on his or her loan, the lender may file a default claim with the guarantor.

Information regarding the earliest date a lender may file a default claim has been moved to the last subheading previously titled “Timely Filing Deadline for Default Claims,” but now titled “Filing Time Frames for Default Claims.”

Affected Sections:	8.2.A., <sup>CCI</sup> 8.2.A.
Effective Date:	Retroactive for loans on which the first day of delinquency on the oldest outstanding due date is on or after July 1, 2000, unless implemented earlier by the guarantor.
Basis:	None.
Policy Information:	Reference 557
Guarantor Comments:	None.

## ***Common Manual Bulletin***

### **Reference #558 Ineligible Claims**

#### **Ineligible Claims**

CCI chapter 8 of the *Common Manual* has been updated to eliminate a paragraph that stated that the eligible portion of a loan would be reguaranteed and considered current if payment of the ineligible portion is received within 30 days after the date the lender completed the curing activities. This paragraph followed the ICA/Location Cure Procedure for Ineligible Borrower Claims passage that was removed from subsection <sup>CCI</sup>8.8.K. in proposal #203 from batch #35, approved in April 1998. Information on penalties for timely filing violations for ineligible borrower claims is included in subsection <sup>CCI</sup>8.8.E.

Affected Sections:	<sup>CCI</sup> 8.8.K.
Effective Date:	Effective with the implementation of the Common Claims Initiative (CCI).
Basis:	None.
Policy Information:	Reference 558
Guarantor Comments:	None.

## ***Common Manual Bulletin***

### **Reference #559 Summer Bridge Extension**

#### **Summer Bridge Extension**

The *Common Manual* has been revised to add that a PLUS borrower may be eligible for a summer bridge extension and removes the unnecessary assertion that a Stafford loan borrower is not required to request the summer bridge extension if the borrower has not used the grace period.

Affected Sections:	7.10.B.
Effective Date:	Retroactive to the implementation of the <i>Common Manual</i> .
Basis:	§682.210(b)(4) and (6); §682.210(s)(1).
Policy Information:	Reference 559
Guarantor Comments:	None.



## ***Common Manual Bulletin***

### **Reference #560 Reduced Interest Rates**

#### **Reduced Interest Rates**

The *Common Manual* has been revised to include information in chapter 7 regarding the servicing of loans with interest rates that are less than the statutory maximum interest rate (statutory rate). If the lender chooses to offer the borrower an interest rate that is less than the statutory rate, the lender must disclose to the borrower that the rate will end on the date the loan is purchased by the guarantor as a default or ineligible borrower claim. After the defaulted loan or an ineligible borrower claim is purchased by the guarantor, the loan reverts to the statutory rate. Also, minor revisions are made to subsection A.1.A. to more closely reflect regulatory guidance.

Affected Sections:	7.7, A.1.A.
Effective Date:	For loans entering repayment at a reduced interest rate on or after March 1, 1997, unless implemented earlier by the guarantor.
Basis:	§682.300(d)(1).
Policy Information:	Reference 560
Guarantor Comments:	None.

## ***Common Manual Bulletin***

### **Reference #561 Loans Not Eligible for Bankruptcy Claim Payment**

#### **Loans Not Eligible for Bankruptcy Claim Payment**

*Common Manual* bankruptcy policy has been revised to clarify that if a loan is in any status other than repayment at the time the bankruptcy notification is received by the lender, the lender should ascertain the correct status for a loan at the conclusion of the bankruptcy action and place the loan into the applicable status. Prior policy language may have inadvertently implied that the loan should be returned to the previous loan status, as opposed to the applicable loan status, at the conclusion of the bankruptcy action.

Affected Sections:	8.2.D., <sup>CCI</sup> 8.2.D.
Effective Date:	Retroactive to the implementation of the <i>Common Manual</i> .
Basis:	§682.402(f)(5)(ii).
Policy Information:	Reference 561
Guarantor Comments:	None.

## ***Common Manual Bulletin***

### **Reference #562 Penalties for Due Diligence Violations**

#### **Penalties for Due Diligence Violations**

The *Common Manual* has been revised to ensure consistency between subsections that address the cure of a loss of guarantee. The policy revises subsections 8.8.C. and <sup>CCI</sup>8.8.C., adding a statement that the earliest unexcused violation date is the day after the date of default if there are three or more due diligence violations of 6 days or more each (21 days or more in the case of a transfer) and no gap of 46 days or more (61 days or more in the case of a transfer). It also clarifies that the references to subsections 8.8.H. and <sup>CCI</sup>8.8.H. are for cure procedures.

Affected Sections:	8.8.C, <sup>CCI</sup> 8.8.C.
Effective Date:	Retroactive to loans on which the first day of delinquency on the oldest outstanding due date is on or after July 1, 2000, unless implemented earlier by the guarantor.
Basis:	§682, Appendix D.
Policy Information:	Reference 562
Guarantor Comments:	None.

## ***Common Manual Bulletin***

### **Reference #563 Cure Procedure for Due Diligence Violations and Gaps**

#### **Cure Procedures for Due Diligence Violations and Gaps**

Subsections 8.8.H. and <sup>CCI</sup>8.8.H. of the *Common Manual* have been restructured and reworded to clarify the reasons for a loss of guarantee and the cure procedures that must be performed to reinstate the guarantee on a loan after the guarantee has been cancelled as a result of due diligence violations or gaps. Previously, the reasons for a loss of guarantee were incorrectly identified as options available for curing the loan.

Affected Sections:	8.8.H., <sup>CCI</sup> 8.8.H.
Effective Date:	Retroactive to the implementation of the <i>Common Manual</i> .
Basis:	None.
Policy Information:	Reference 563
Guarantor Comments:	None.

## ***Common Manual Bulletin***

### **Reference #564 Common Findings for Program Reviews**

#### **Common Findings for Program Reviews**

The *Common Manual* has been revised to remove outdated examples of common program review findings, e.g., late refunds, incorrect refund calculation, and noncompliance with Appendix D from 34 CFR 682. The *Common Manual* has also been revised to add current examples of common program review findings, e.g., improper performance of return of Title IV funds procedures, including incorrect calculations, late returns to lenders, funds returned to the wrong Title IV account, and errors on ED Form 799.

Affected Sections:	11.3.C.
Effective Date:	Not applicable.
Basis:	Final Rules published in Part VII of the <i>Federal Register</i> , pages 65631-65651, dated November 1, 2000.
Policy Information:	Reference 564
Guarantor Comments:	None.

## ***Common Manual Bulletin***

### **Reference #565 Definition of Multiple Data Entry Processor**

#### **Delete Glossary Definition of Multiple Data Entry Processor**

The *Common Manual* has been revised to delete the definition of “Multiple Data Entry (MDE) Processor” from Appendix G. This term is not used within the text of the manual.

Affected Sections:	Appendix G
Effective Date:	Retroactive to the implementation of the <i>Common Manual</i> .
Basis:	None.
Policy Information:	Reference 565
Guarantor Comments:	None.

